

To the General Meeting of Badger Explorer ASA

Stavanger, 16th April 2012

The Nomination Committee's Report and Recommendations

Reference is made to the Notice of the Annual General Meeting of Badger Explorer ASA ("BXPL", "Company"). The Annual General Meeting will be held on Tuesday, 8th May 2012 at 10.00 CET.

According to § 6 of Badger Explorer ASA's Articles of Association a Nomination Committee with up to three members shall be elected by the General Meeting. As a listed company BXPL is also subject to the corporate governance requirements set out in the Norwegian Code of Practice for Corporate Governance. BXPL applies to the Norwegian Code of Practice for Corporate Governance dated 21st October 2010 and the changes that came into effect on 20th October 2011. Any deviations from it are explained in the Company's Corporate Governance Policy (as approved by the Board of Directors on 20th March 2012).

During the fiscal year 2011 the Nomination Committee held 2 scheduled meetings. Representatives of the Nomination Committee have also held meetings with various shareholders of Badger Explorer ASA in London, Oslo, Stavanger and Bergen.

As required by the Norwegian Code of Practice for Corporate Governance in chapter 10 the Board of Directors has carried out an evaluation of its own performance and expertise including an evaluation of the composition of the Board and its function both individually and as a group in relation to the Company's objectives. This report has been made available to the Nomination Committee.

Matters related to the Board of Directors:

According to § 5 of the Articles of Association BXPL's Board of Directors shall consist of four to eight members. The present Board of Directors in Badger Explorer ASA consists of the following members:

- Marcus Hansson (Chairman)
- Kristine Holm (Board member)
- Tone Kvåle (Board member)
- Clive Mather (Board member)
- John R. Wilson (Board member)

One of the main duties of the Nomination Committee is to propose candidates for election to the Board of Directors including a justification of the recommendation.

Badger Explorer ASA's Nomination Committee proposes the following candidates to be elected by the General Meeting as new Board members:

- Marcus Hansson (Chairman), re-elected until AGM in 2014
- Kristine Holm (Board member), re-elected until AGM in 2013

The Nomination Committee concludes that the proposed candidates possess relevant experience within financing and accounting, technology and business development and have in-depth experience from the oil and gas industry. Their experience will be of importance for the further development of the Company.

The terms of Board members Tone Kvåle, Clive Mather and John R. Wilson end at the AGM in 2013 and are therefore not up for election.

If the candidates proposed by the Nomination Committee are elected by the General Meeting on 8th May 2012 the Board of Directors of Badger Explorer ASA will have the following composition:

- Marcus Hansson (Chairman), re-elected until AGM in 2014
- Kristine Holm (Board member), re-elected until AGM in 2013
- Tone Kvåle (Board member), re-elected until AGM in 2013
- Clive Mather (Board member), elected until AGM in 2013
- John Wilson (Board member), elected until AGM in 2013.

Brief presentation of each proposed candidate:

Marcus Hansson (born 1968)

Mr. Hansson has extensive experience from the financial services sector as a Portfolio Manager and Stockbroker within Hedge Fund Sales. Currently Mr. Hansson works as a business developer and London based investor. Previously Mr. Hansson held a position as Portfolio Manager within the Proprietary Trading Department at Credit Suisse Europe LTD in London investing money for the Arbitrage Strategies group. For more than 10 years Mr. Hansson has also worked as a Stockbroker and Hedge Fund Sales for Carnegie Investment Bank, SEB Enskilda and Ohman Securities focusing on Long/Short strategies, Special Situations and Risk Arbitrage. Mr. Hansson holds a M.Sc. in Business Administration and Economics from the University of Stockholm.

Kristine Holm (born 1957)

Ms. Holm is a graduate geologist from the University of Bergen and currently holds the position as Asset Manager & Assisting Business Unit Manager in Total E&P Norge and also serves as a Board member for Total E&P Norge. Ms. Holm previously worked as Geoscience Department Manager and Exploration area manager in Total E&P Norge. She has more than 25 years of extensive experience from the oil & gas industry including various positions within the field of geology in Elf Petroleum Norge and the Elf Group's Technical and Research Centre in France.

Matters related to the Nomination Committee's composition:

According to § 6 of the Articles of Association BXPL's Nomination Committee shall consist of two to three members. The current Nomination Committee consists of:

- Rolf E. Ahlqvist, elected until AGM in 2012
- Bjørge Gretland, elected until AGM in 2013
- Knut Åm, elected until AGM in 2012.

It is proposed that the General Meeting re-elects Mr. Rolf E. Ahlqvist and Mr. Knut Åm as members to the Nomination Committee until the AGM in 2014 as both of them have broad experience.

If the proposed candidates are elected by the General Meeting on 8th May 2012 the Nomination Committee of Badger Explorer ASA will have the following composition:

- Rolf E. Ahlqvist, re-elected until AGM in 2014
- Bjørge Gretland, elected until AGM in 2013
- Knut Åm, re-elected until AGM in 2014.

Brief presentation of the proposed candidates:

Rolf E. Ahlqvist (born 1948)

Mr. Ahlqvist is educated at the University of Göteborg in Business and Economics. He has extensive experience from 30 years working in the oil and gas industry through marine, offshore and steel companies, including as CEO at Scana Industries ASA, Sales & Marketing Director at Rosenberg Verft and Business Manager at Aker Offshore and Aker Stord. Mr. Ahlqvist became partner and chairman of Procom Venture AS in 2002. He is also board member of GS-Hydro Norge AS and a number of other Nordic companies. He has in depth experience in establishing companies, creating growth, implementing strategy plans and re-structuring and evaluating companies.

Knut Åm (born 1944)

Mr. Åm is a graduate engineer in technical geology from NTH. He works as an independent consultant within the oil and gas industry. He has extensive experience, including positions at the Geological Survey of Norway, the Norwegian Petroleum Directorate, Statoil ASA, Revus ASA and Phillips Petroleum. Mr. Åm is prior chairman of the boards of the Norwegian Oil Industry Association, Christian Michelsen Research AS and Hitec ASA and a prior board member of Statoil ASA.

Matters related to remuneration:

According to chapter 7 of the Norwegian Code of Practice for Corporate Governance and chapters 8 and 12 of the Company's Corporate Governance Policy it is the Nomination Committee's duty to propose the fees to be paid to the Company's Board of Directors.

It is proposed that the General Meeting approves the Board's remuneration for the financial year 2011 amounting to NOK 1,150,000, divided among the Board members as follows:

Name	Ordinary Remuneration	Audit Committee	Total Remuneration
Marcus Hansson	200,000 NOK	Included	200,000 NOK
Kristine Holm	150,000 NOK		150,000 NOK
Tone Kvåle	200,000 NOK	Included	200,000 NOK
Clive Mather *	300,000 NOK		300,000 NOK
John R. Wilson *	300,000 NOK		300,000 NOK
Total	1,150,000NOK		1,150,000NOK

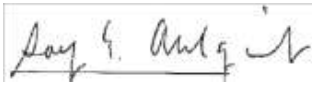
* At the Extraordinary General Meeting held on 1st December 2010 the General Meeting provided the Board of Directors with a proxy to enter into agreements with close associates for the period as of 1st December 2010 until 31st December 2011. The remuneration is limited to 1,500 NOK per hour. The total remuneration for such agreements shall not exceed the amount of NOK 200,000 for the time period set above. Badger Explorer ASA entered into such agreements with Clive Mather and John R. Wilson, who are both members of the Board of Directors.

It is proposed that the General Meeting approves the Nomination Committee's remuneration for the financial year 2011 amounting to NOK 35,000, divided among the members as follows:

Name	Position	Total Remuneration
Rolf E. Ahlqvist	Chairman of the Committee	15,000 NOK
Bjørge Gretland	Member	10,000 NOK
Knut Åm	Member	10,000 NOK
Total		35,000 NOK

The above listed amounts of remuneration for each member of the Board of Directors and the Nomination Committee reflect their responsibilities, expertise, committed time and workload and are on a comparable level with companies of similar size within the oil industry.

With kind regards,
On behalf of the Nomination Committee



Rolf E. Ahlqvist